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ZNR UUUUU ZZH
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FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8385
INFO RUEHBJ/AMEMBASSY BEIJING 7954
RUEHGH/AMCONSUL SHANGHAI 1842
RUEHCN/AMCONSUL CHENGDU 2467
RUEHSH/AMCONSUL SHENYANG 6437
RUEHGZ/AMCONSUL GUANGZHOU 1027
RUEHHK/AMCONSUL HONG KONG 9208

UNCLAS SECTION 01 OF 03 TAIPEI 000371

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E.O. 12958: N/A

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SUBJECT: TAIWAN ELECTIONS: DPP SCRAMBLING TO CONSOLIDATE SOUTHERN SUPPORT

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11. (SBU) Summary: Still playing catch up, DPP presidential candidate Frank Hsieh is scrambling to consolidate his southern base, the cornerstone of any pan-Green candidate's electoral support. His latest attacks on KMT candidate Ma Ying-jeou's cross-Strait economic policies have hit a sweet spot, but may not be resonating beyond traditional deep-Green areas in the south. Raising questions about Ma's credibility and highlighting Hsieh's management skills have marginally helped Hsieh, but centrist voters also do not appear to be moving decisively in the DPP's favor. With memories of the DPP's 2004 come-from-behind effort still fresh, KMT stalwarts are pulling out all the stops in the south. The KMT has been carpeting the region with pro-KMT Taiwanese broadcasts and will dispatch Ma to the south on March 16 for a large-scale evening rally. Meanwhile, local DPP officials are lamenting both Hsieh's chances and the state of party unity, while the pan-Green's junior partner, the Taiwan Solidarity Union, remains on the sidelines. If recent voting trends hold, Hsieh is likely to win the south, but may not do so by a large enough margin to offset expected losses in the north. End summary.

SOUTHERN STRATEGY REDUX

12. (SBU) With recent public opinion polls showing DPP Presidential candidate Frank Hsieh continuing to lag behind KMT candidate Ma Ying-Jeou island wide, the DPP campaign is re-doubling its efforts in southern Taiwan, the DPP's traditional heartland. Hsieh needs to win the south by a large margin to offset expected losses in the north. In 2004, southern Taiwan helped secure President Chen's re-election triumph, thanks to Chen's big majorities in his hometown Tainan as well as in populous Kaohsiung, Pingtung and Chiayi. With Hsieh still reaping southern support from his 1998-2005 tenure as Kaohsiung mayor and his DPP running mate Su Tseng-Chang fondly remembered from his stint as Pingtung county chief, the DPP hopes to replicate, even improve upon, its 2004 performance in the south.

13. (SBU) However, President Chen's rocky second term and a listless economy in rural and heavy industrial areas which comprise large areas of the south have dented the DPP's popularity there and hindered the DPP's efforts to energize its core voters. Furthermore, Ma has focused on trying to build support in the south by campaigning extensively there and going on "long stays," which some polls show boosted Ma's popularity. The KMT's January 2008 Legislative Yuan elections landslide hinted at further challenges

for the DPP in the south, with the KMT making inroads among voters in Kaohsiung and Chiayi, while many disaffected southern deep-Green voters opted to stay home.

THREE-PART HARMONY

14. (SBU) Throughout the fall of 2007, Hsieh's campaign failed to ignite the same degree of passion that the south's deep-Green voters displayed for Chen in 2000 and 2004. Although DPP rank-and-file were initially critical of Hsieh's lackluster campaigning, they tell us that recently Hsieh's focus on the dangers of Ma's "one-China market," attacks on Ma's credibility, and emphasis on Hsieh's experience as Kaohsiung mayor have found resonance with many southern voters. In the campaign's final week, the DPP plans to press these three themes aggressively at major rallies on March 16 and continuing up to election day.

ONE-CHINA MARKET BLUES

15. (SBU) The "One-China Market" issue has resonated most loudly in the south and allowed the DPP to mobilize southern deep-Green voters, particularly in areas with labor-intensive industries, fishing and agricultural production. In Kaohsiung, large DPP banners have been appearing throughout the city, with catchy slogans such as "Safeguard our Jobs; oppose the One-China Market." Pro-Green underground radio stations, highly influential across the rural south, have gleefully picked up the drumbeat, charging sensationally that the "One-China Market" will "deprive men of jobs, take husbands away from women and force children to become military conscripts in Heilongjiang."

16. (SBU) Nevertheless, local contacts tell us that although the

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"one-China market" attacks have dented Ma in the south, its primary effect remains limited to boosting Hsieh's popularity among the region's core deep-Green constituency. Most of our interlocutors agree that angst about the "one-China market" will help the DPP mobilize its southern base and stimulate voter turnout in the south, but is not sufficient enough to bring wavering southern light-Green voters back into the fold, convince them to show up in large numbers at the polls on election day, and turn the region's centrist voters towards the DPP. Without something more, they stress, Hsieh will be hard pressed to duplicate President Chen's crucial winning margins in the south.

MA'S GREEN CARD VS. HSIEH'S SUBWAY

17. (SBU) DPP campaigners in the south are still pursuing an earlier line of attack based on Ma's lingering green-card controversy, although the Central Election Commission's recent announcement that Ma does not have U.S. citizenship has blunted these attacks. A Kaohsiung City Council contact told AIT/K on March 13 that internal DPP polling in the south revealed no significant decline in Ma's southern support over the green card issue. As a result, he explained, the DPP has shifted the focus of its attack away from Ma's nationality towards his credibility, consistency and crisis management skills. Nevertheless, our DPP contacts believe that Ma's inability to shake off completely the green card affair leaves him open to questioning his "Taiwan-first" credentials, a fundamental theme among the south's identity-conscious deep-Green constituency.

18. (SBU) Meanwhile, local DPP officials hope that highlighting Hsieh's achievements as Kaohsiung mayor will contrast favorably with Ma's handling of his green card matter. Local Kaohsiung commentators largely agreed that the Kaohsiung subway's long-awaited March 10 opening was a boon to Hsieh, who initiated the project and maneuvered it through a spate of early controversies. Although the KMT accused Hsieh of financial impropriety during the subway's construction, local DPP officials prominently credited Hsieh's role during the subway's formal opening day, when more than 200,000 riders sampled the gleaming new system. Nevertheless, one local KMT

contact predicted that Hsieh's benefit from the subway opening would be short lived and suggested that the issue would not reverberate beyond Kaohsiung, which itself remained almost evenly divided between pan-Green and pan-Blue voters.

KMT COUNTERATTACK - IN TAIWANESE

¶9. (SBU) Sensing the effect of stepped up DPP attacks in the south and wary of the DPP's potential to close strongly, local KMT officials are fighting back. Although still unable to break the phalanx of pro-Green underground radio stations, the KMT has bought up large chunks of time on legal local radio stations to rebut DPP charges. The broadcasts are invariably in Taiwanese and enlist prominent national and local KMT politicians. One ad features the voice of Ma's running mate and Chiayi-native Vincent Siew, who laments the DPP's "distortion" of KMT economic policy and highlights the KMT's promise to revive Taiwan's economy. Another ad has local KMT City Councilor Wang Ling-Chiao asserting that ongoing DPP rule will accelerate economic decline, "forcing more husbands to leave their wives to look for work abroad."

¶10. (SBU) To combat the proliferation of local DPP banners opposing the "one-China market" in Kaohsiung, the KMT has put up its own billboards saying "Ma will NEVER import labor from China." In Kaohsiung County, local KMT factions have banded together to counter the "one-China market" charges. In the south's rural areas, the KMT has deployed fleets of small vehicles armed with megaphones blaring loud rebuttals in Taiwanese. Furthermore, Ma's wife has entered the south's campaign arena for the first time, pressing the flesh on March 13 at one of Kaohsiung's largest night markets. The KMT's largest evening rally on March 16 is planned for Kaohsiung and will feature Ma and some of the KMT leadership.

PAN-GREEN FRAYING IN THE SOUTH

¶11. (SBU) Local DPP contacts continue to paint the Hsieh campaign in the best light, but most acknowledge the likelihood Hsieh will lose. The Pingtung County magistrate told AIT/K Chief on March 11

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that while the DPP ticket will hold the line in traditionally Green-leaning Pingtung County, he was pessimistic about Hsieh's prospects overall. Some of our DPP contacts even suggest that Hsieh may lose Kaohsiung City, and even if he wins Kaohsiung, the margin will be razor thin. Recently, the previously DPP-leaning Kaohsiung Teacher's Association announced it would support Ma. In a March 14 news interview, Kaohsiung mayor Chen Chu acknowledged that unlike 2004, DPP factional infighting, alleged Chen family corruption, a sluggish economy, and internal pan-Green disputes with the Taiwan Solidarity Union (TSU) were hobbling Hsieh's southern campaign effort.

¶12. (SBU) Southern TSU officials tell us there is no indication that the national party will formally endorse Hsieh until after the March 16 rallies, if at all. Prominent southern TSU legislator Lo Chi-Ming's recent defection from the TSU to the KMT was for personal gain, they emphasize, and not a sign of the TSU trending towards the KMT. Most TSU rank and file in the south continue to campaign for Hsieh on their own and await a signal from TSU spiritual leader Lee Teng-Hui. Some local academics say that Lee may in fact have helped Ma by saying that the "one-China market" would be unacceptable to Beijing because it implies a "state-to-state" arrangement.

COMMENT

¶13. (SBU) Hsieh is counting on winning big in the south to defeat Ma, but our contacts make clear the DPP may fall short. Voting trends in the last few local elections suggest Hsieh will win less populous Tainan and Pingtung counties, but split the larger areas of Kaohsiung and Kaohsiung County. Chiayi, a key swing area, also appears to be up for grabs. The upcoming March 16 activities are perhaps Hsieh's last major opportunity to stir up southern enthusiasm and give supporters a reason to come out and vote on

March 22.

Castro

Young